

MEMORANDUM

26 April 1956

To : Chief Economic Research, ORR
Acting Chief Coordination, ORR
CIA Legislative Counsel

From : Acting Chief Economic Defense Division, ORR

Subject: Proposed Revision of "Trends in Economic Growth", 1955 Study
Prepared for the Joint (Congressional) Committee on the
Economic Report

1. I ascertained today in a conversation with Dr. Charles S. Sheldon, senior specialist on the staff of the Library of Congress, that the subject report will be revised in the coming months with the object of having an up-to-date and more inclusive presentation completed in November 1956. This study will serve as the basis for public hearings by the Subcommittee on Foreign Economic Policy which are tentatively scheduled for December 1956.

2. The objectives of the Subcommittee are substantially as follows; to provide information on:

(a) current economic trends behind the Iron and Bamboo curtains, in the Free World, and in the uncommitted regions;

(b) the nature, extent and actual performance of Communist efforts in providing economic assistance to underdeveloped areas;

(c) where present trends may be leading the United States, and the broad implications for U.S. economic policy, particularly foreign aid and investment policy;

(d) the possible impact on the U.S. economy in case of marked reductions in armament expenditures, if such reductions become possible.

3. The approach which is expected to be taken in revising the "Trends" study will be to make a selective reorganization and updating of data, adding information on such areas as Communist China, Japan and India which were not covered in the original report. An effort will be made to draw widely upon research completed or currently underway in key universities, research institutions, and governmental agencies. The focus will be placed on the most significant portions of the previous study and the current editors will concentrate on the implications and interpretations that appear most significant for the current East-West economic struggle.

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4. The original "Trends" study was prepared in 1954 under the direction of [redacted] drawing support from the Legislative Reference Service and other specialists and consultants. Dr. Sheldon has been designated to direct the preparation of the revised version. Dr. Sheldon was the economist for the Subcommittee on Foreign Economic Policy during their public hearings in November 1955, and following those hearings he wrote the Subcommittee Report, entitled "Foreign Economic Policy", which was published on January 5, 1956. Dr. Sheldon is a Naval Reserve intelligence officer and while on active duty during the Korean war he held a TOP SECRET Navy clearance.

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5. Assisting Dr. Sheldon will be Mr. A. David Redding, presently performing economic research under contract with the Library of Congress for the Air Force. Mr. Redding has previously worked for the Rand Corporation and for the Department of State. A check on him, via St/I/RR, with the CIA Security Office revealed that he had held a TOP SECRET clearance while he was an employee of the Department of State.

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Acting Chief D/E/RR